

III. Formal Application Review: Assessment of Financial Feasibility

At this stage of the process, Cal-Mortgage assesses the fundamental financial feasibility of the project and risks associated with issuing a loan guarantee. For that purpose, the Applicant should submit **one (1) copy** of items **20 to 29**. At the same time, if any of the above information has changed, the Applicant should provide that revised information.

20. Applicant's Financial Feasibility Study, see Exhibit F. (Note that for small projects, generally those less than \$1 million, the Applicant should consult with its Project Officer regarding the possibility of using a financial feasibility workbook. This standard workbook for small projects may be prepared by the Applicant internally, avoiding significant consulting cost.)
21. Debt service schedule.
22. Copies of grants, contracts and other information that support revenue forecasts.
23. If construction is part of the project:
 - a. A description of the architect's and engineer's past experience in designing a similar type facility.
 - b. A copy of the executed contract(s) with the architect and all engineers, if any.
 - c. If known, the name, address and telephone number of the proposed contractor for the project and a description of the contractor's past experience in constructing a similar type facility.
 - d. A breakdown of construction costs prepared by a cost estimator.
 - e. Preliminary architectural drawings.
24. Description of all consulting contracts, including parties thereto, relating to the project.
25. Original commitment letters to Cal-Mortgage from the proposed issuer of the bonds or certificates of participation (collectively **Bonds**) and from the underwriter.
26. Original of the property appraisal by a State Certified Appraiser. (See Business and Professions Code Section 11300, et. seq.).
27. Copy of the zoning approval (if required by a local agency for the project to proceed).
28. Copy of the Environmental Impact Report or Negative Declaration approved by the appropriate authority.
29. Preliminary title report for issuance of ALTA Lenders title policy.

After review of these application materials by Cal-Mortgage staff, the Deputy Director of the Cal-Mortgage Division determines whether or not to recommend approval of the project, and if so, with what conditions. If approval is recommended, Cal-Mortgage will schedule the application for a meeting of the Advisory Loan Insurance Committee, and the Project Officer will notify the Applicant to submit **one (1) more complete set of items through 29 and twelve (12) additional sets of items 1 through 11 and 20 and 21**, unless the Project Officer indicates that fewer are necessary.

If Cal-Mortgage does not approve the application, Cal-Mortgage will notify the Applicant in writing.